

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL CONTRACT 192 (MC2016-86)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2016-111

**USPS NOTICE OF AMENDMENT TO
PRIORITY MAIL CONTRACT 192, FILED UNDER SEAL**
(June 7, 2018)

The Postal Service hereby provides notice that prices and terms under Priority Mail Contract 192, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 192 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days after the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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June 7, 2018

ATTACHMENT A

REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 192

**AMENDMENT #2
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING
PRIORITY MAIL SERVICE**

WHEREAS, the United States Postal Service (“the Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract regarding Priority Mail Service, Priority Mail Contract 192/Docket No. CP2016-111, on February 16, 2016.

WHEREAS, the Parties desire to amend the terms in Sections I.C., I.E. and I.G., including Tables A, 2, and 3, and inserting new Table 4.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.C., I.E. and I.G., in their entirety (including Tables A, 2 and 3), as follows, and insert new Table 4]

I. Terms

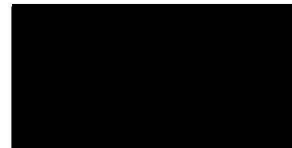
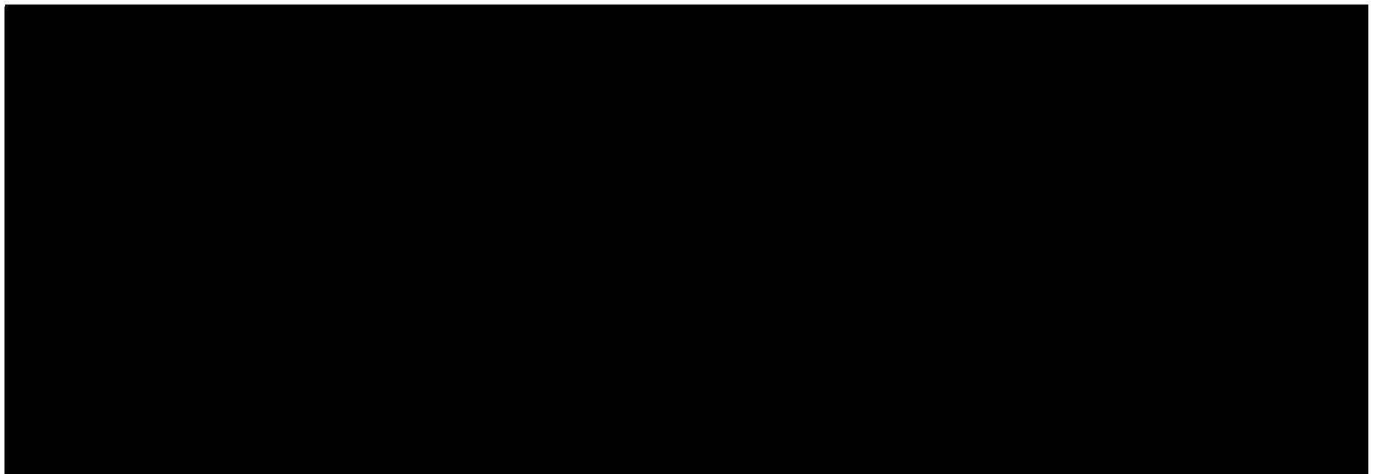
C. Customer will manifest Contract Packages as specified by the Postal Service, using a separate permit number and/or PC Postage account to ship such packages, and will use the Electronic Verification System (“eVS”), other USPS approved manifest systems, or USPS approved PC Postage vendors for payment of such packages. Customer shall provide the Postal Service, in writing, a list of its permit numbers and/or PC Postage accounts for approval. Contract pricing for any newly approved permits and/or PC Postage accounts will be effective within fifteen (15) business days after the Postal Service receives written notification from Customer. Only Contract Packages, and Customer’s other Priority Mail Packages (“Total Packages”), shipped from authorized permits and/or PC Postage accounts shall count toward the volume commitment in Section I.E below.

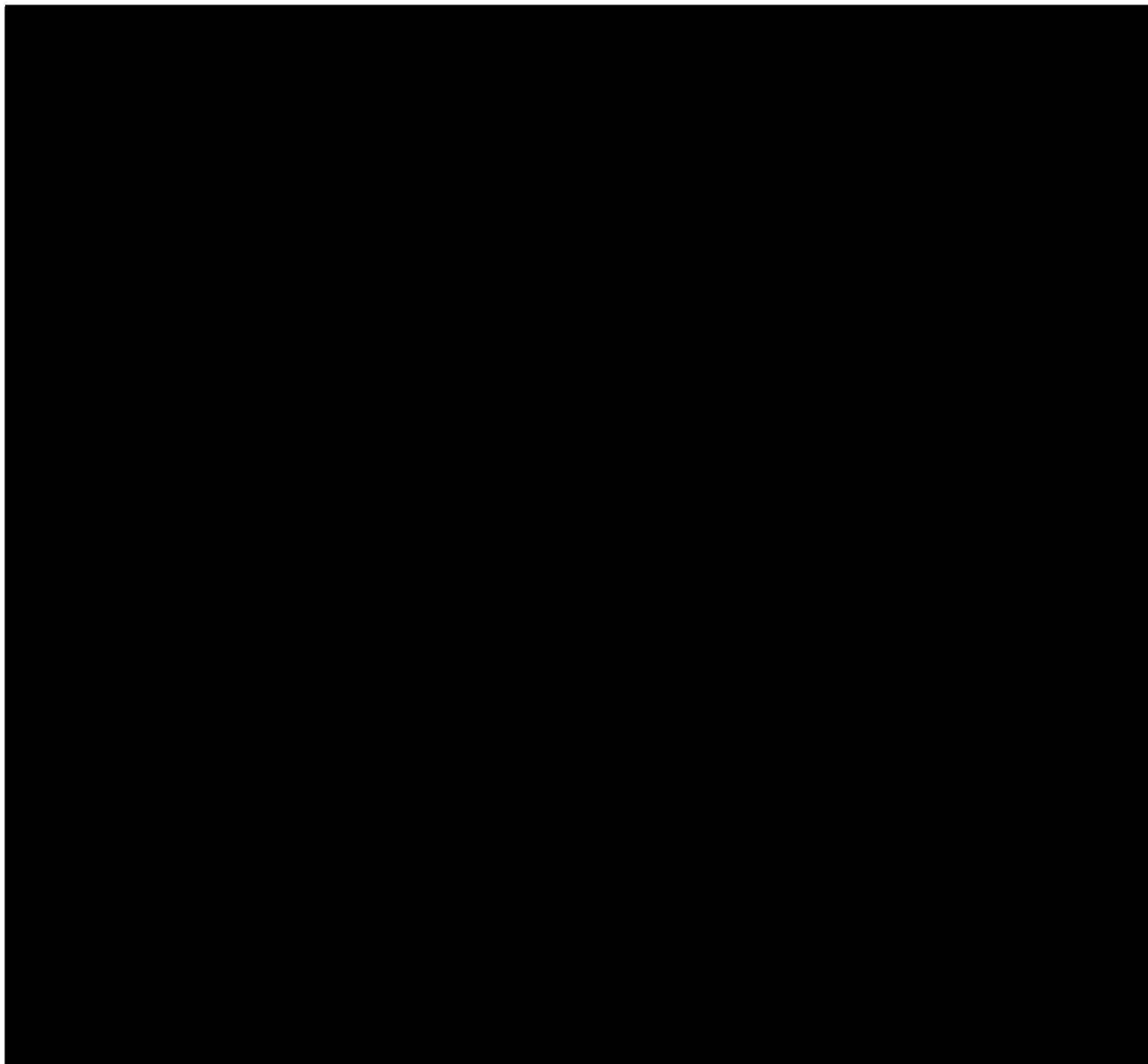
E. Volume Commitment. Customer should ship at least [REDACTED] Total Packages annually.

G. Contract Prices.

1. Beginning on the effective date of this amendment, Customer will pay Tier 1 prices pursuant to Table 2 below.

2. Subsequent Contract Quarter pricing will be based on a rolling four (4) quarter average. Beginning, July 1, 2018, the average will be determined by dividing the number of Total Packages shipped in the preceding four (4) Contract Quarters by four (4). The result would then be used to determine the applicable tier shown in Table A below, with Contract Package pricing shown in Tables 2 through 4 below, for the current Contract Quarter. Contract Package pricing for subsequent Contract Quarters will be determined by dividing the number of Total Packages shipped in the preceding four (4) Contract Quarters by four (4).
3. At the conclusion of each Contract Quarter, the Postal Service will calculate the number of Total Packages shipped in the last four (4) Contract Quarters, divide by four (4) and within fifteen (15) calendar days of the conclusion of the Contract Quarter, notify the Customer of the applicable tier and Contract Package pricing for the current Contract Quarter.





IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

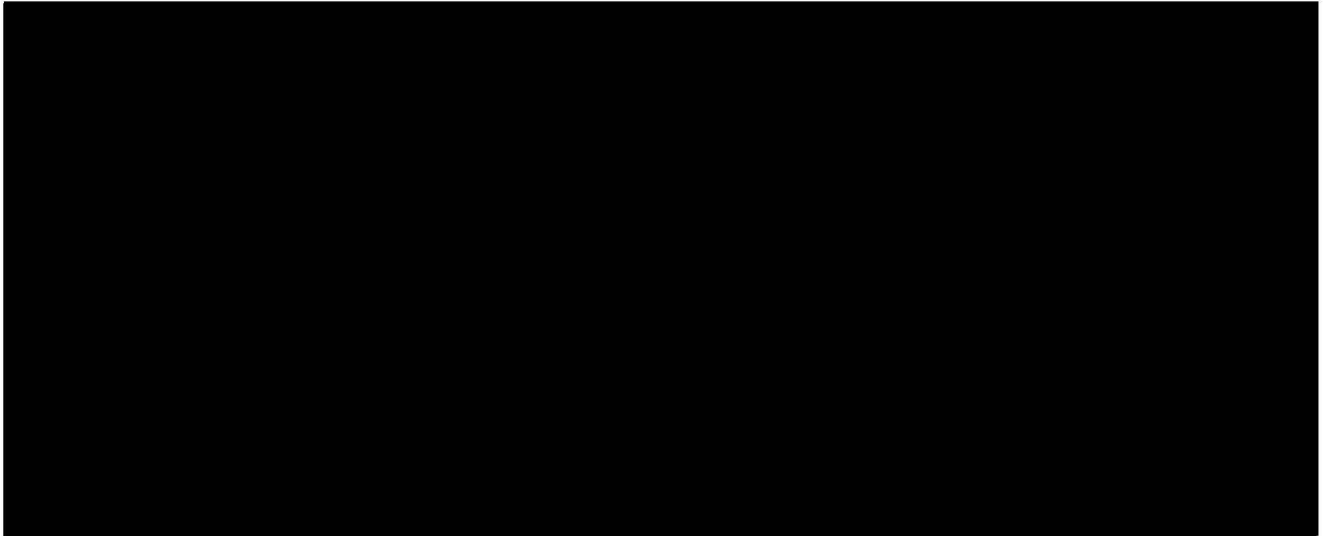
UNITED STATES POSTAL SERVICE

Signed by: 

Printed Name: Dennis Nicoski

Title: Senior Vice President, Sales and Customer Relations

Date: 4/30/18




ATTACHMENT B
SIGNED CERTIFICATION

Certification of Prices for Amendment to Priority Mail Contract 192

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Contract 192. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Steven
Phelps**

 Digitally signed by Steven Phelps
DN: cn=Steven Phelps, o=Pricing and
Costing, ou=Pricing,
email=steven.r.phelps@usps.gov, c=US
Date: 2018.06.07 13:23:32 -04'00'

Steven R. Phelps